

Results January-December

2010

1st March 2011

Disclaimer

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Such forward-looking statements do not constitute any guarantee of future performance and involve risks and uncertainties as well as other important factors that could cause actual developments or results to differ essentially from those expressed in our forward-looking statements.

Analysts and investors in particular as well as any other persons or entities who must take decisions or give advise on investments in the Company should not place undue reliance on those forward-looking statements.

The financial information contained in this document has been prepared under International Financial Reporting Standards (IFRS). This financial information is unaudited and, therefore, subject to potential future modifications.

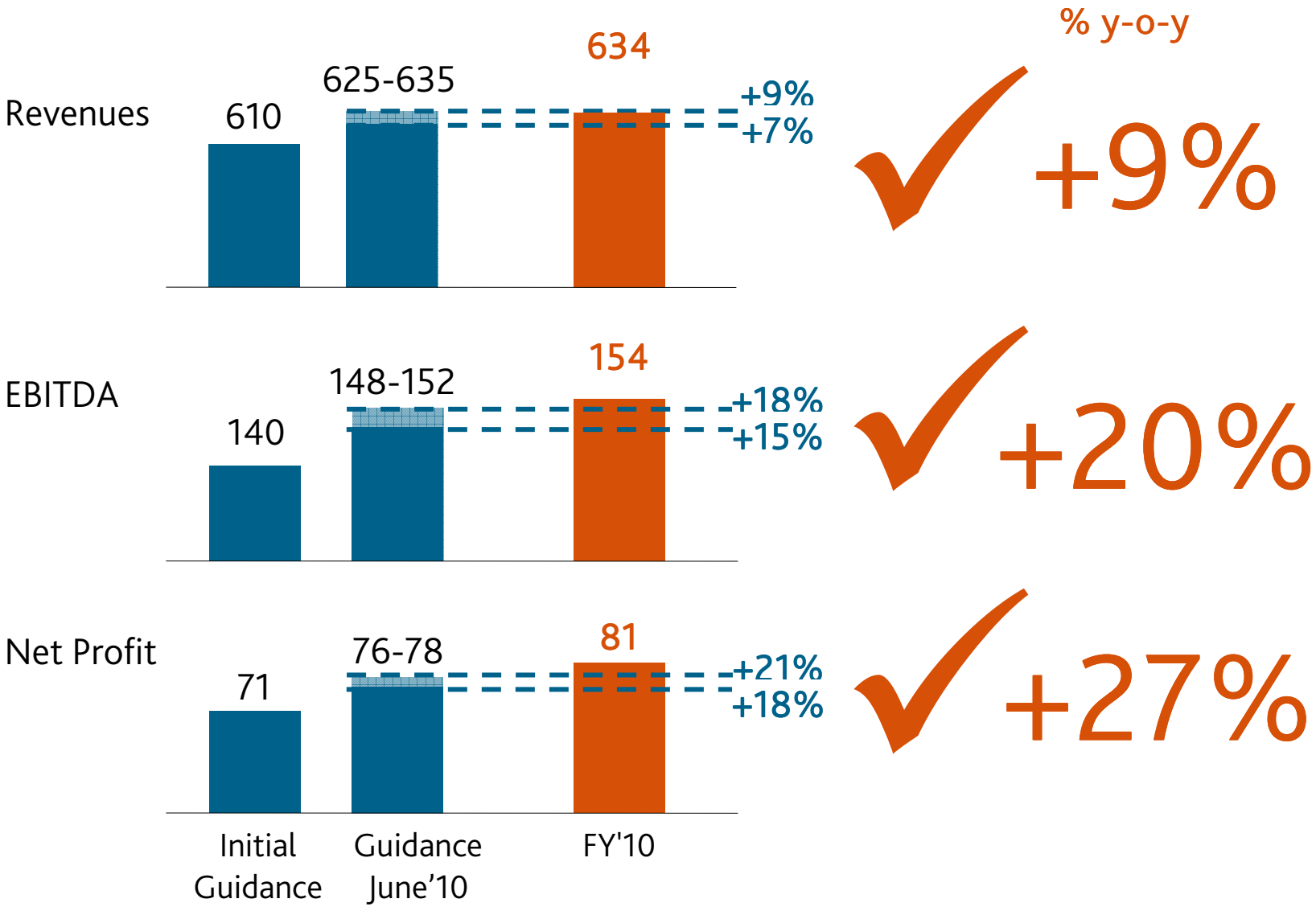
FY 2010 Results



Be ONE: Capturing growth to free cash flow

Guidance 2011

Exceeding main financial targets…



… and also operating ones.

(some examples)

- Inauguration of the new converting plant in China. ✓ Sep'10
- Externalization of the pension fund in Germany ✓ Oct'10
- Increase capacity in non edible collagen in Koteks and break-even on Net profit. ✓ Nov'10
- New high record on production capacity with better excellence and efficiency rates. ✓
- IAN, improving competitive advantage and margins. ✓ Dec'10

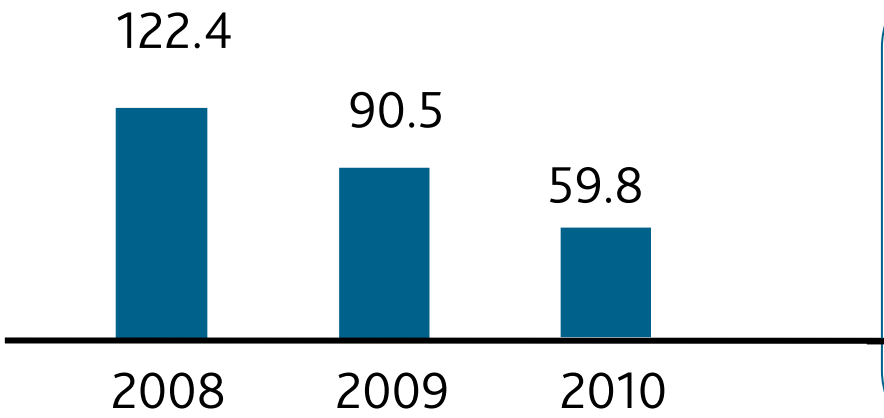
Gaining speed every quarter… and also along the P&L

MM €	4Q10	% Change	2010	% Change	% y-o-y ex-forex[1]
Revenues	159.6	+10.8%	633.7	+8.6%	+3.6%
EBITDA	36.4	+14.6%	154.1	+19.5%	+14.6%
EBITDA Margin	*22.8%*	*+0.7 p.p.*	*24.3%*	*+2.2p.p.*	
EBIT	22.5	+2.5%	110.4	+20.9%	
PBT	23.7	+9.8%	105.7	+23.0%	
Net Profit	20.1	+22.3%	81.3	+26.6%	

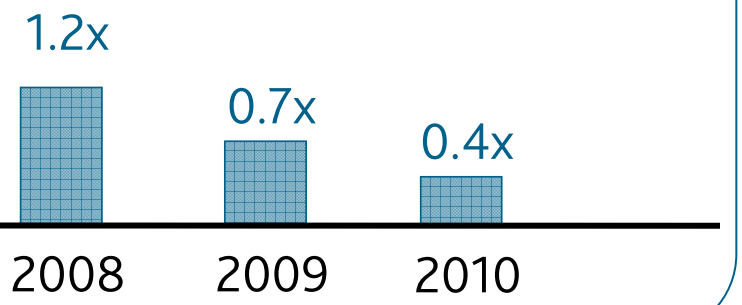
1 For comparison purposes, ex-forex growth excludes the impact of the various exchange rates applied in the consolidation of financial statements, as well as the impact of USD fluctuations on trade transactions

Stronger balance sheet and higher shareholder's remuneration

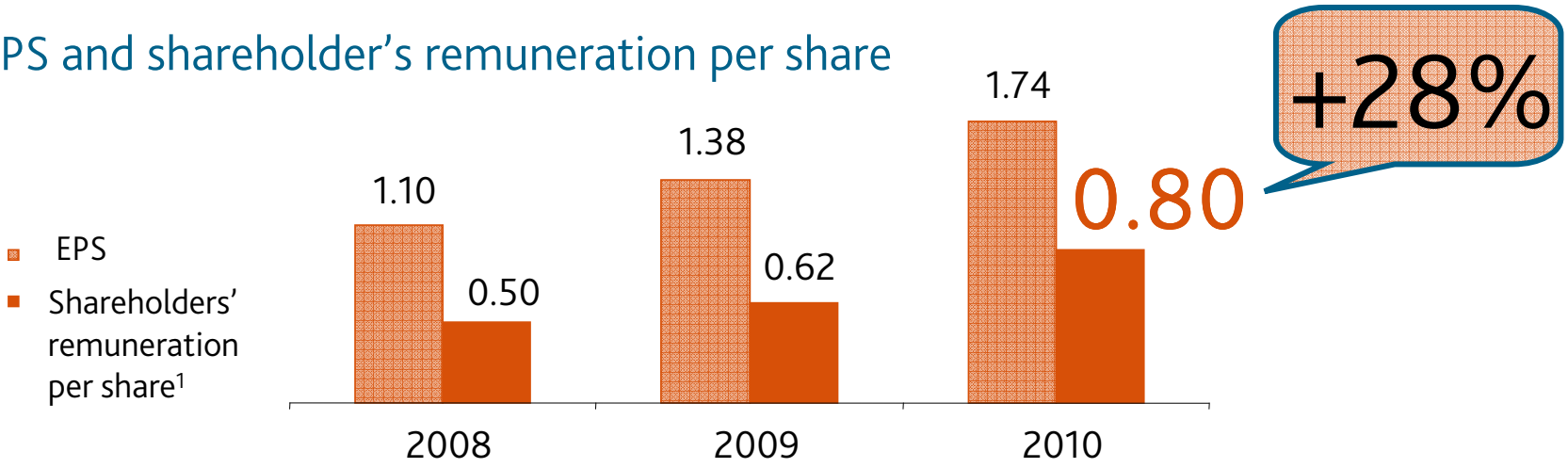
Net bank debt (€ MM)



Net bank debt/EBITDA

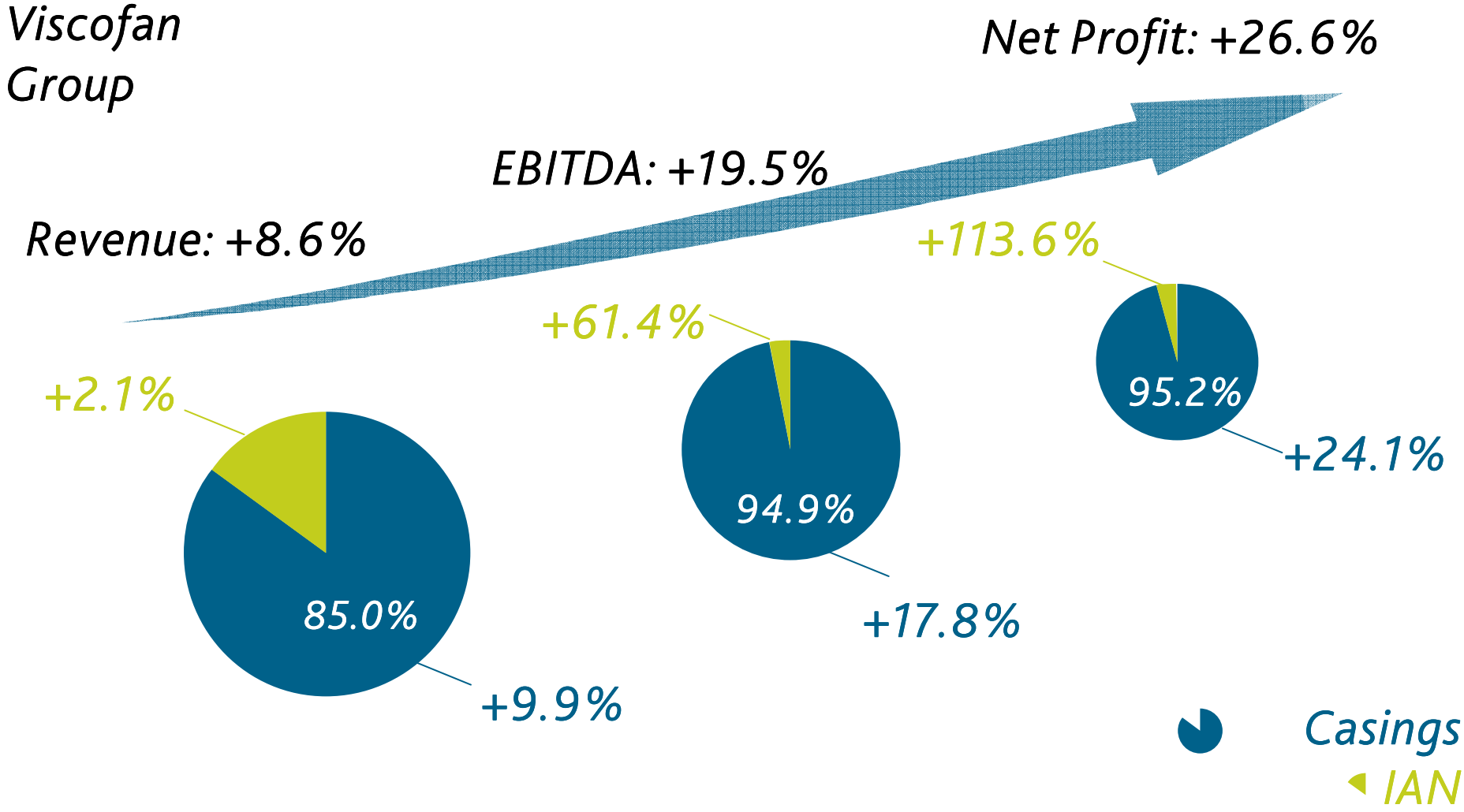


EPS and shareholder's remuneration per share

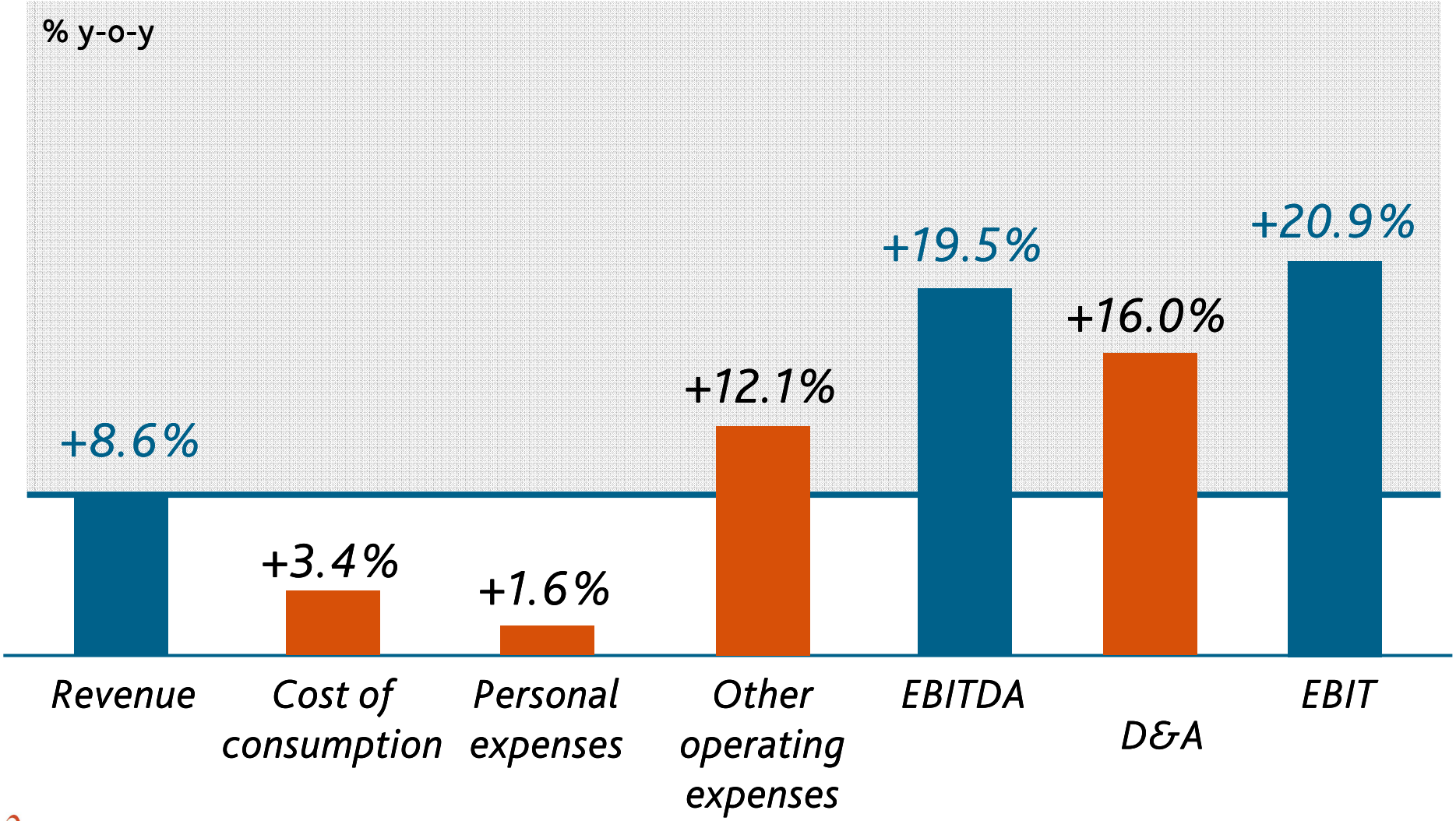


[1] The shareholder's remuneration in 2011 includes: interim dividend (0,30 €/share), proposal of complementary dividend (0,204€/share), capital reimbursement (0,29€/share) and the AGM attendance bonus(0,006 €/acc).

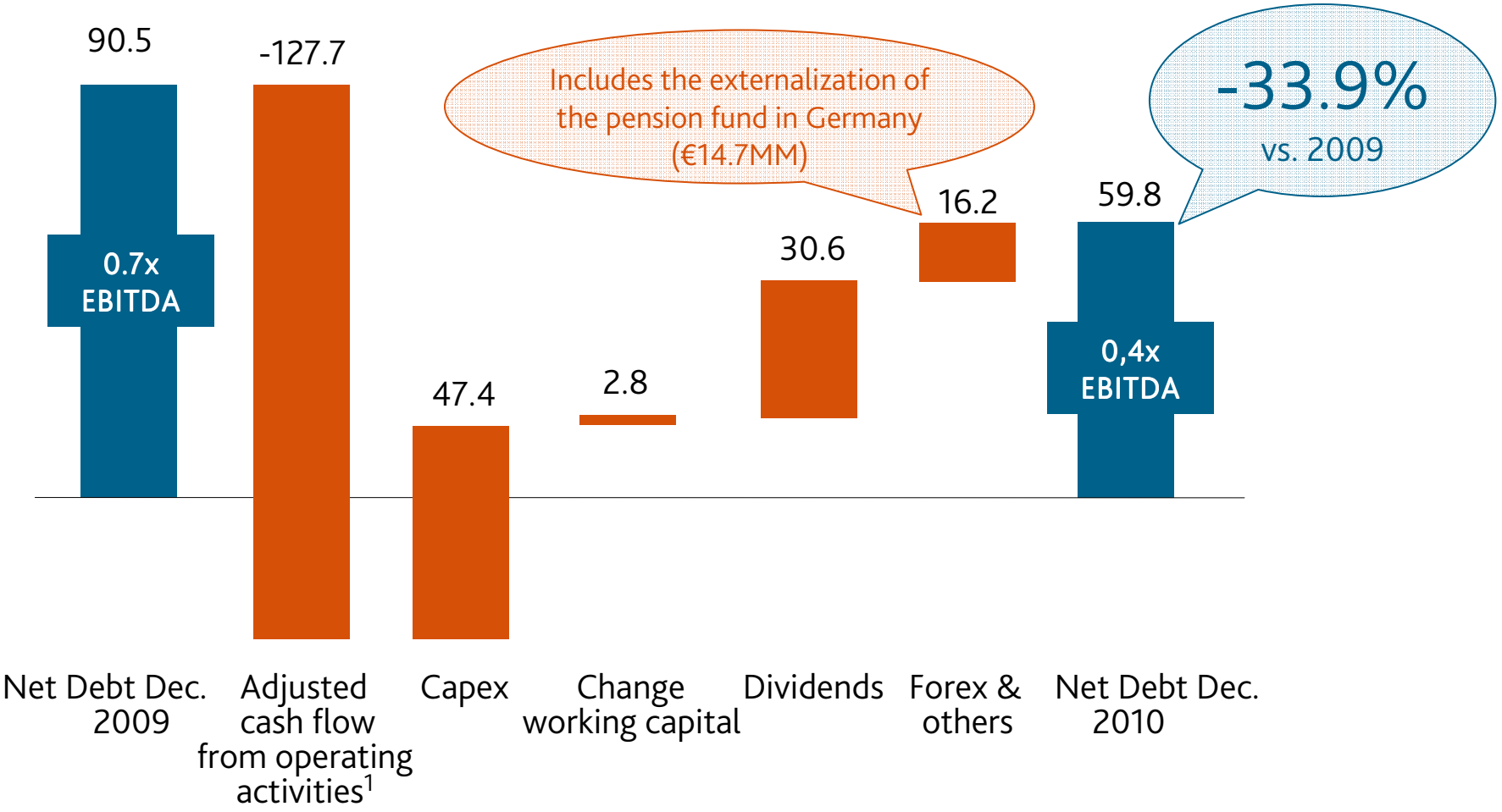
2010: Growth in all the businesses



Top line growth and cost control: key to advance in profits.

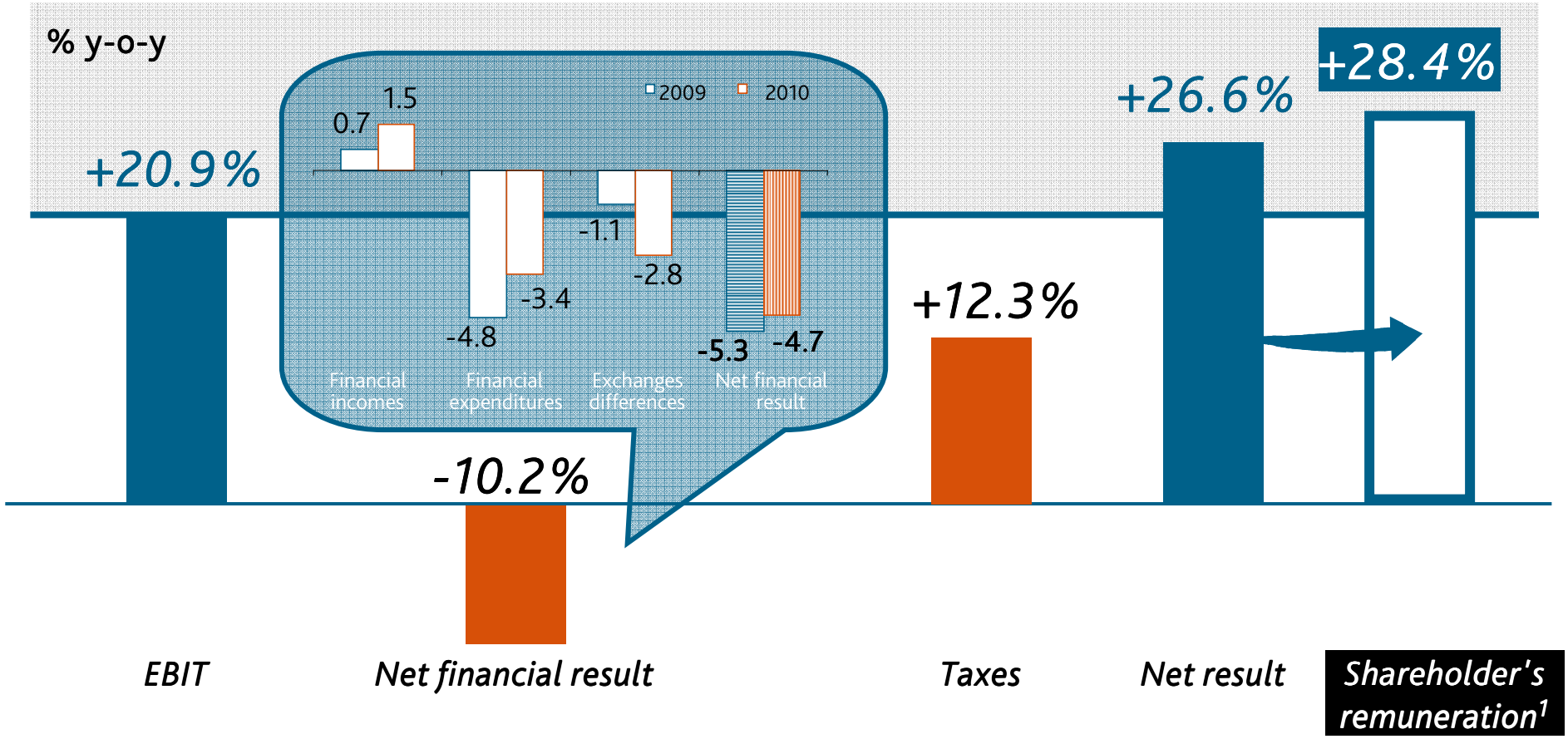


Strong balance sheet: we can react to face higher demand and remunerate to shareholders.



[1] Adjusted cash flow from operating activities = Cash flow from operating activities – changes on working capital

Better operating and financial results are transferred to Net profit and to shareholder's remuneration

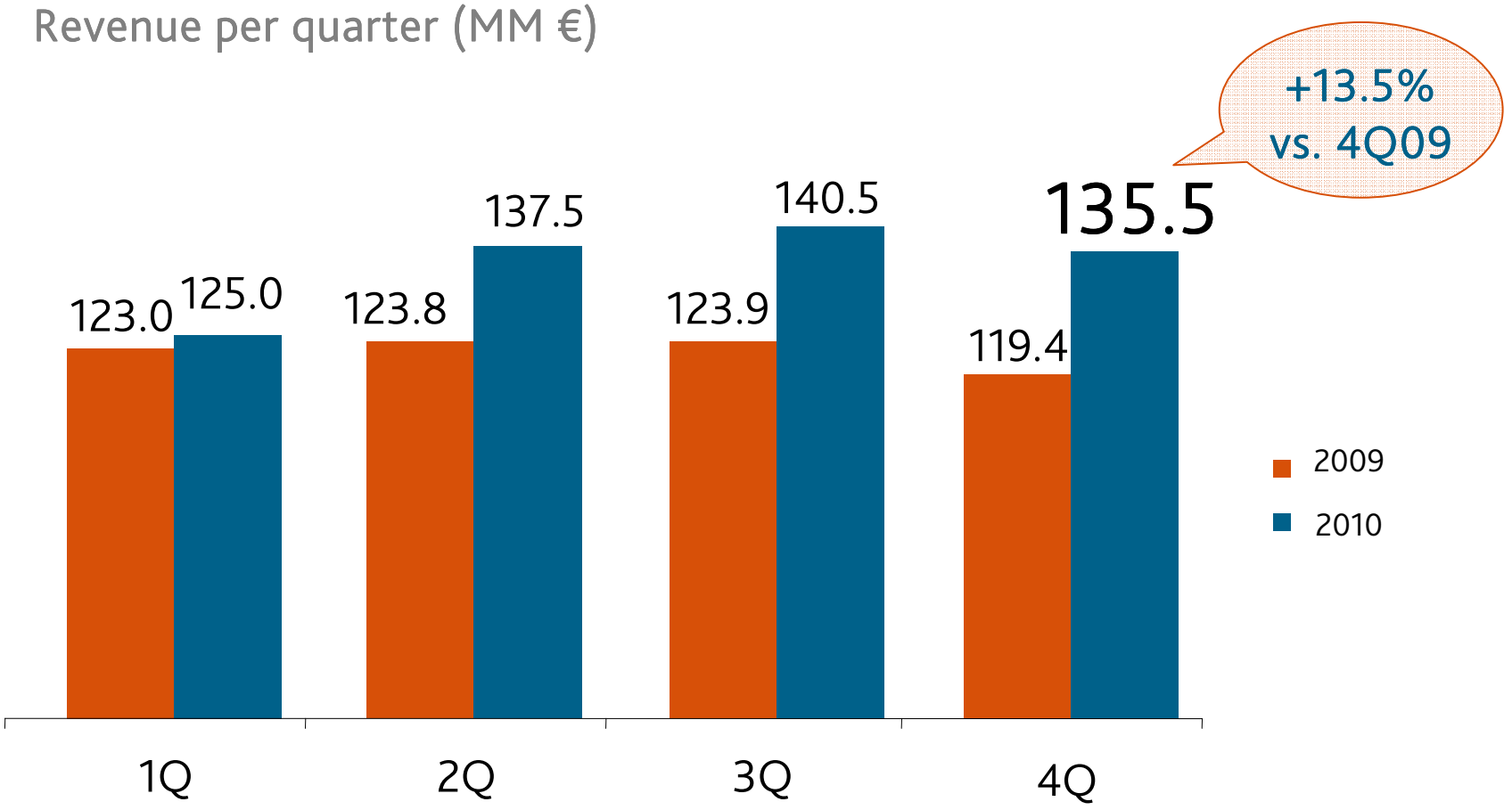


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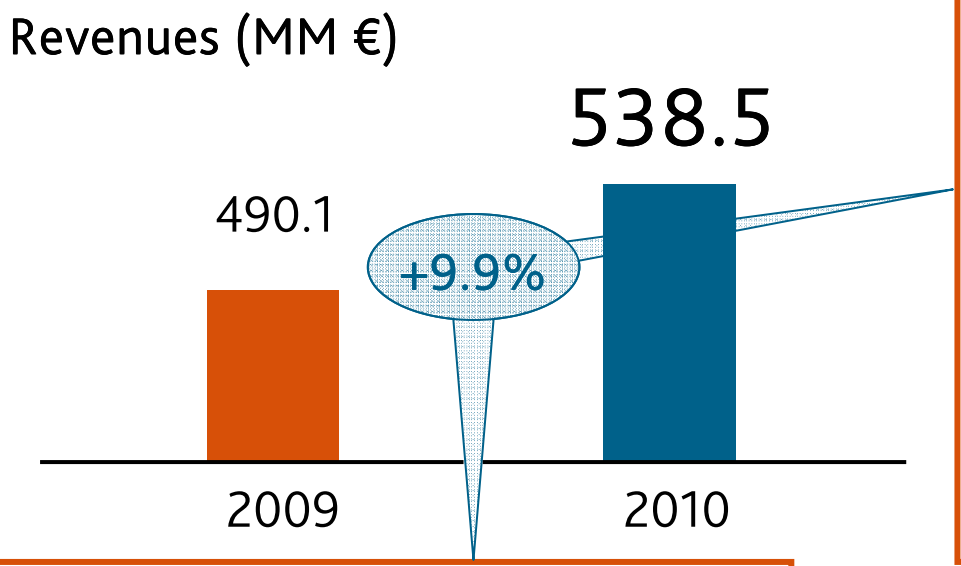
Casing division

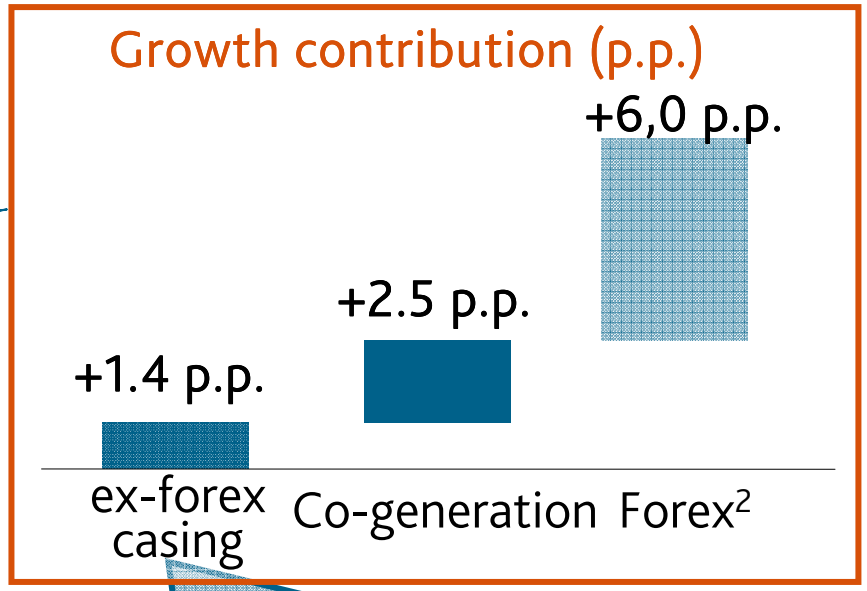


Speeding up growth every quarter boosted by higher volumes in all casing families…



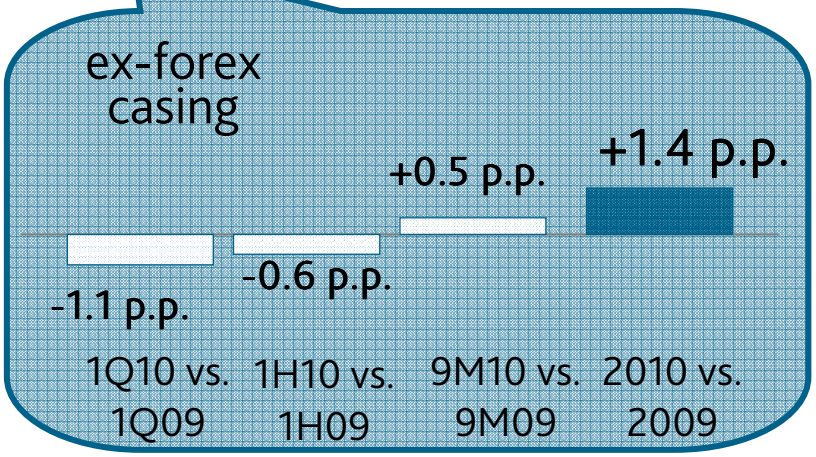
… and in all areas





Geographic growth[1]

Europe and Asia (€261MM)	+8.3%
North America (€188MM)	+7.8%
Latam (€89MM)	+19.8%

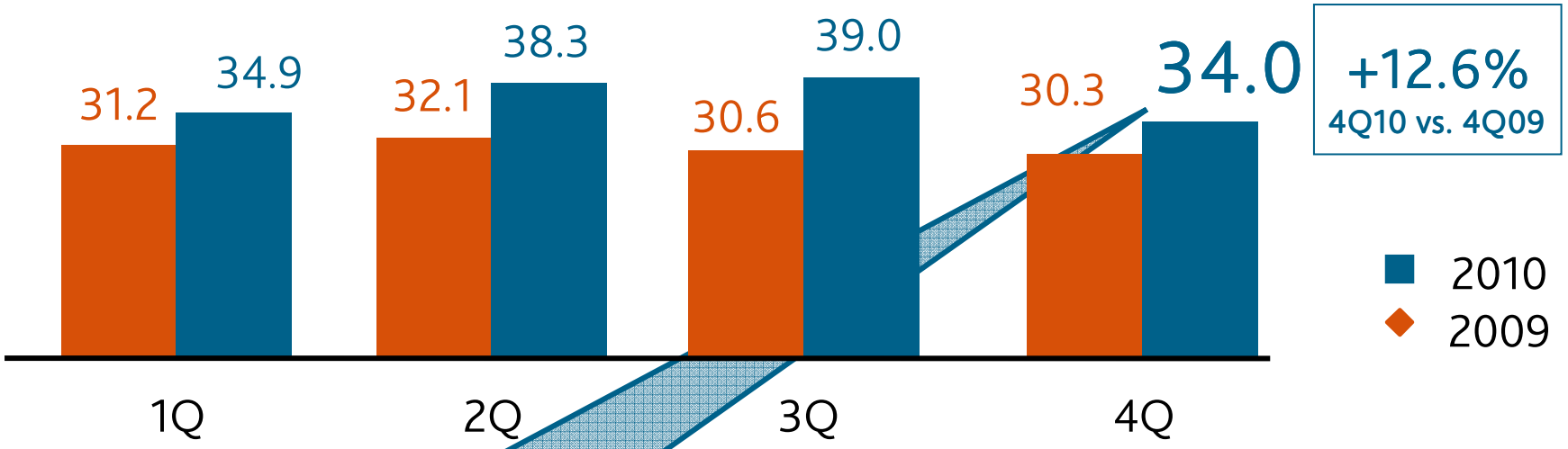


[1] Revenue growth per origin of sales

[2] For comparison purposes, ex–forex excludes the impact of the different exchange rates used in the consolidated accounts and the USD impact in commercial transactions.

Another Quarter with a y-o-y EBITDA growth despite the start-up of the new converting plant in China.

EBITDA (MM €)

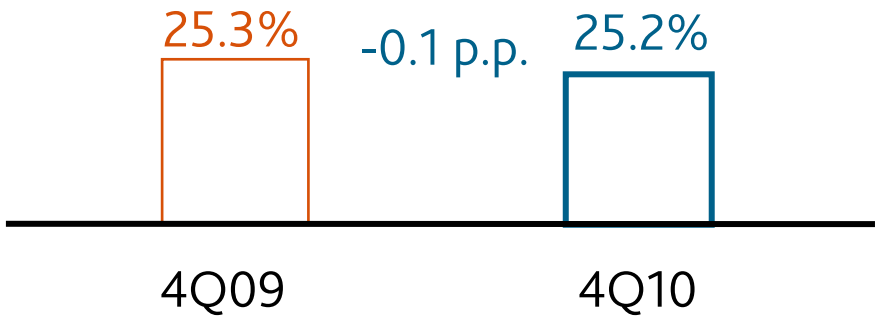


Consumption cost: +29.6%

China: start-up of the production operations. No revenue in Q4….

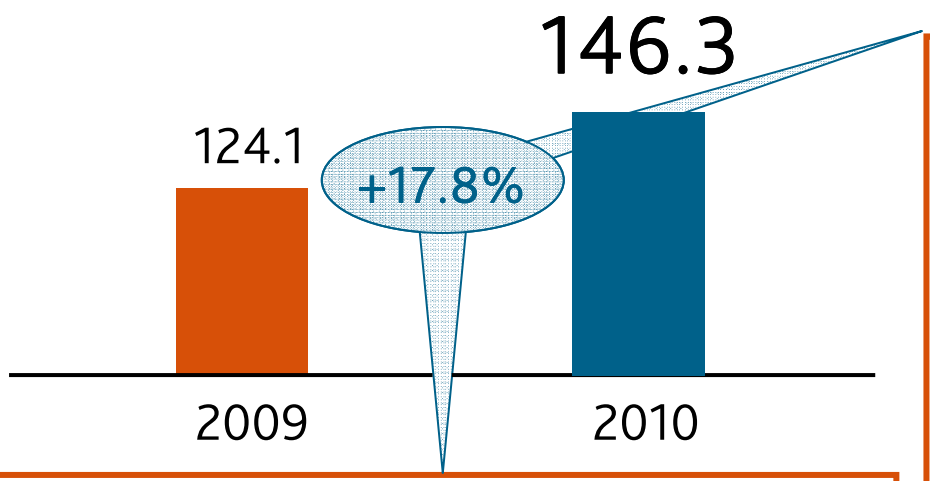
… production for local market from February 2011.

EBITDA Margin

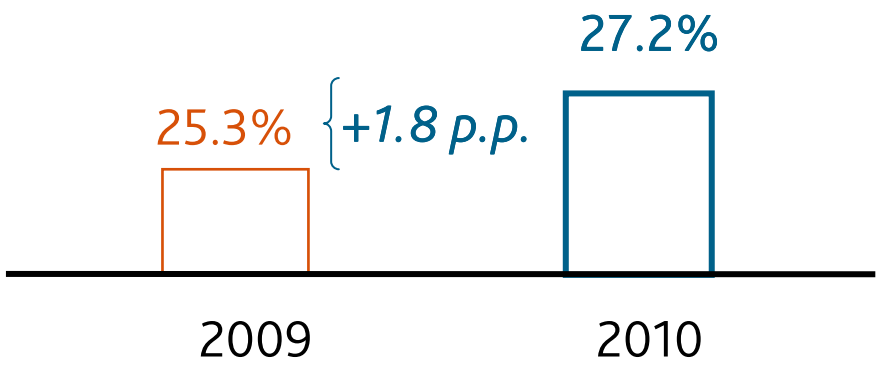


… with a significant progress in EBITDA margin backed by improvements on gross margin and productivity.

EBITDA (MM €)



EBITDA Margin



Productivity and cost control

Gross margin[1]

+0.3 p.p.

Productivity Margin[2]

+2.0 p.p.

[1] Gross margin = (Revenues – Cost of consumption) / Revenues

[2] Productivity margin = (1 – Personal cost / Revenues)

Vegetable food division

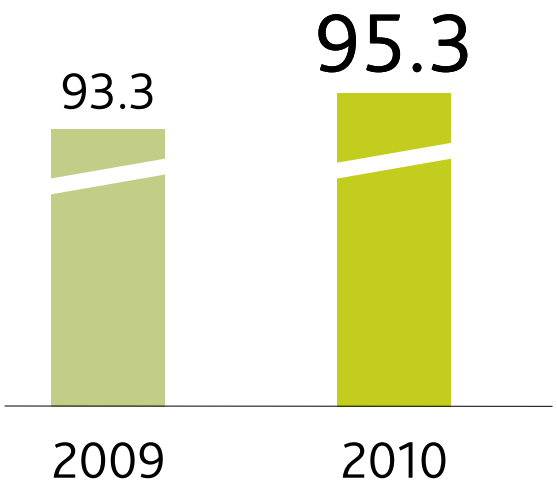




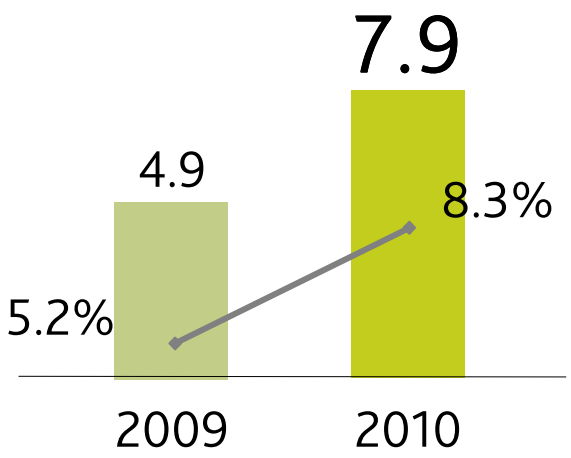


IAN Group and "Carretilla" brand strengthen its position thanks to portfolio diversification, leadership and cost control.

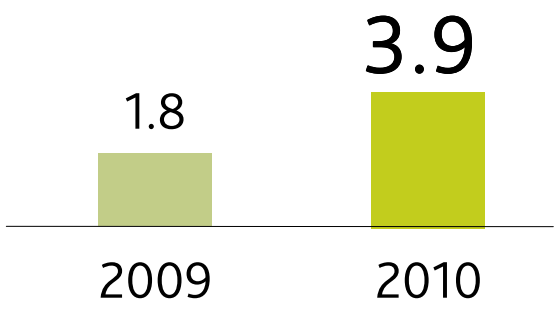
Revenues (MM €): +2.1%



EBITDA (MM €): +61.4%



Net profit (MM €): +113.6%



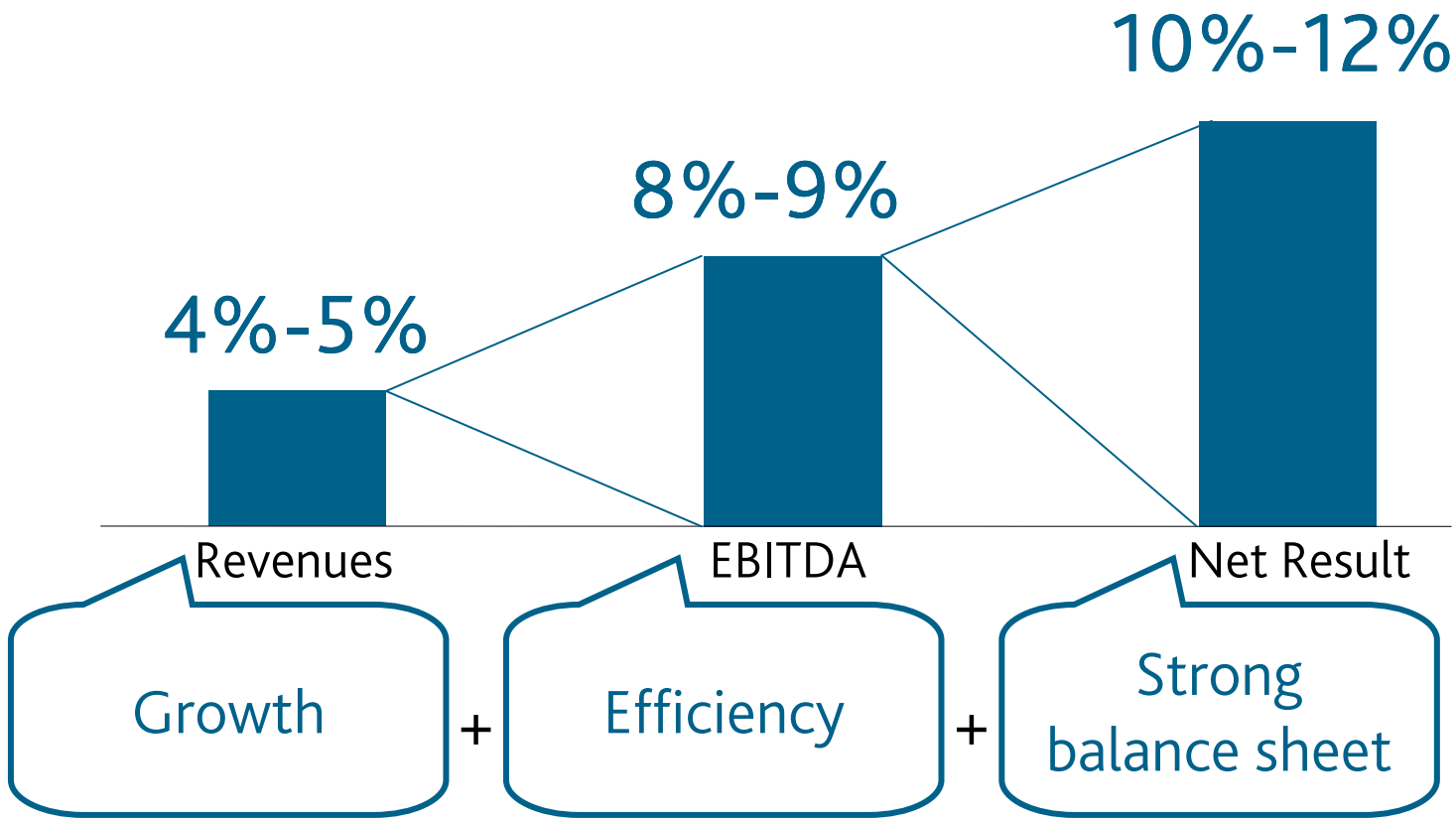
EBITDA Margin

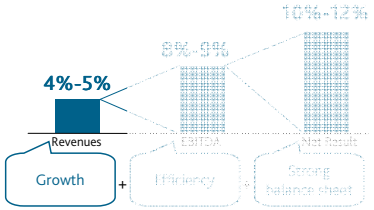




Be ONE: Capturing growth to free cash flow

Be ONE: Capturing growth to free cash flow in 2011





Growth drivers



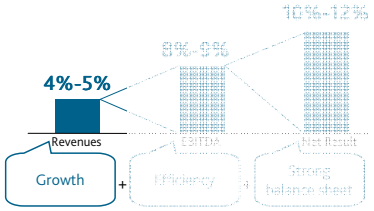
Population growth



Global feeding habits

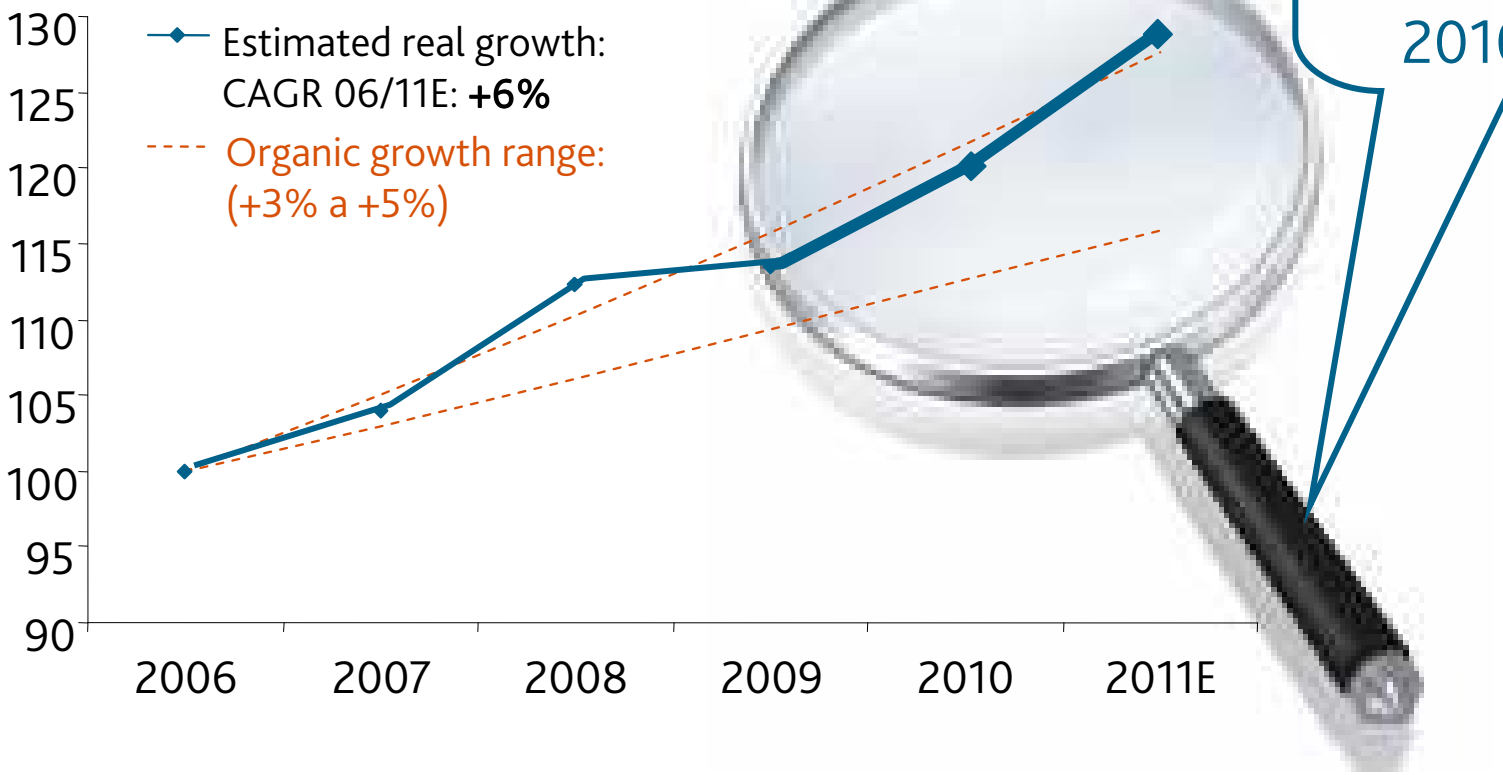


Renew production technology

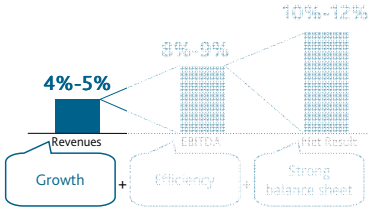


A very solid growth outlook.

Market growth in volume



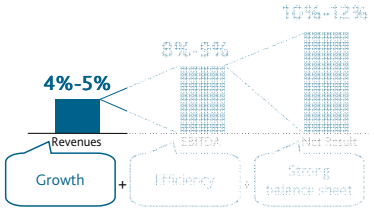
Growth above historic average rate 2010-2011E



Viscofan: Best position to capture worldwide growth.

Commercial discipline

- Service
- Geographic footprint
- Production capacity



Viscofan: Best position to capture worldwide growth.

Service

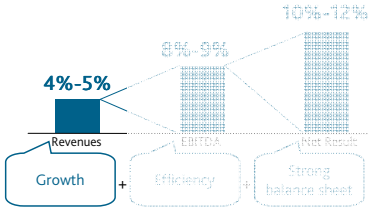


Only casing player with know-how to produce all market technologies: Widest portfolio

Commercial network and technical assistance
Multi-range and global



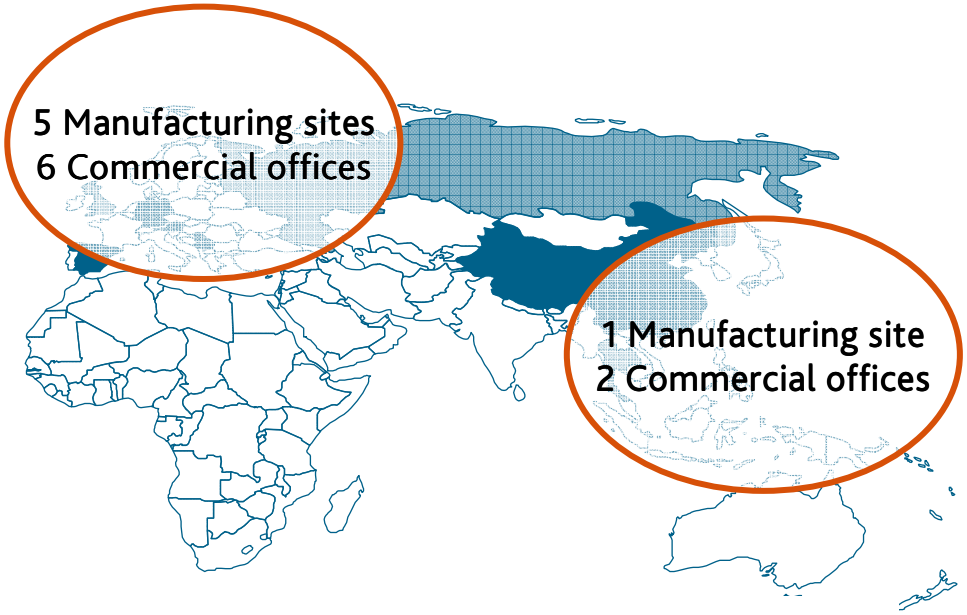
R&D continuously improving looking for best solutions for our customers.



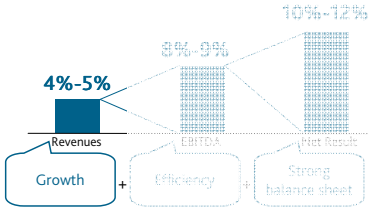
Viscofan: Best position to capture worldwide growth.

Geographic footprint





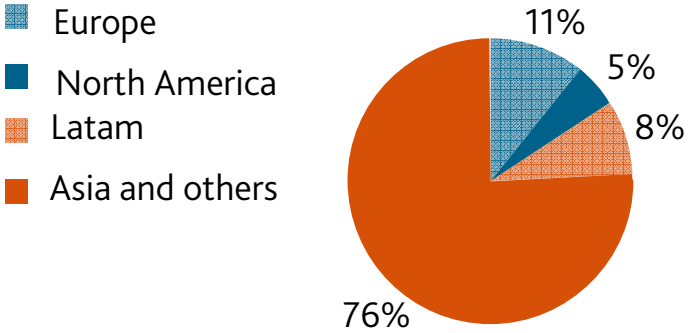
Only casing player with local production facilities in the main casing markets :
USA, European Union, Brazil, Mexico and China.



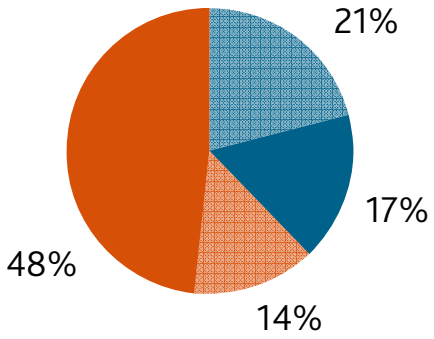
Viscofan: Best position to capture worldwide growth.

Developed countries (they keep growing):

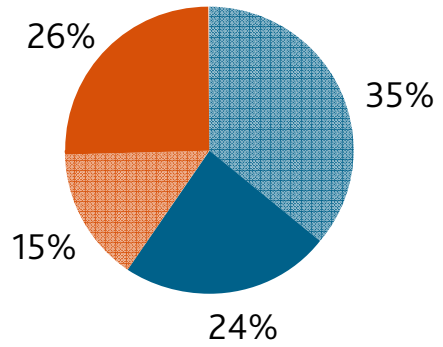
Population



Poultry+pig production



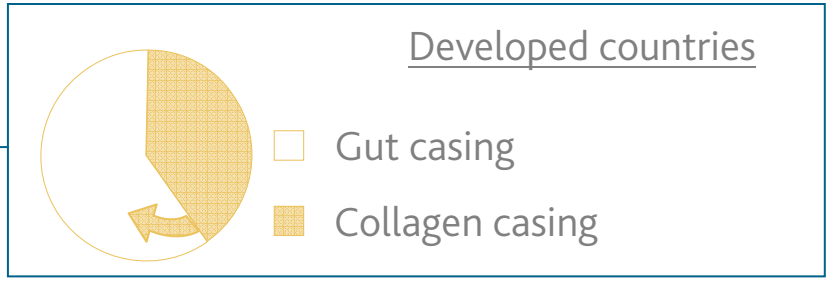
Artificial casing consumption

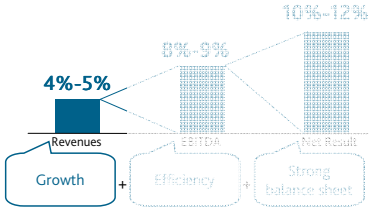


Focus in gut casing substitution

Differentiation: service + added value

Complexity due to "tailor-made" casings and productivity requirement.

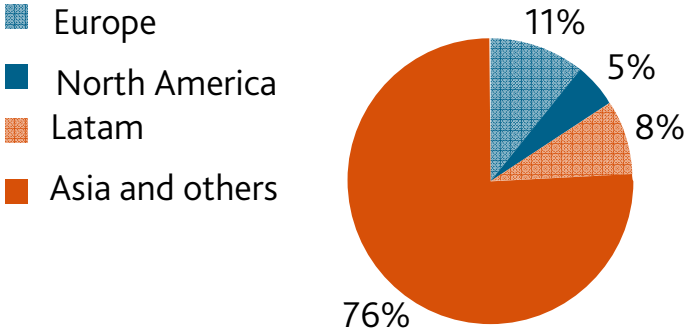




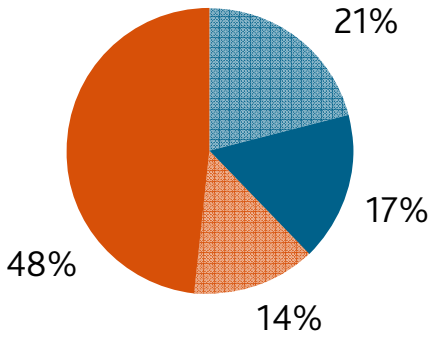
Viscofan: Best position to capture worldwide growth.

Developing countries (accelerating growth):

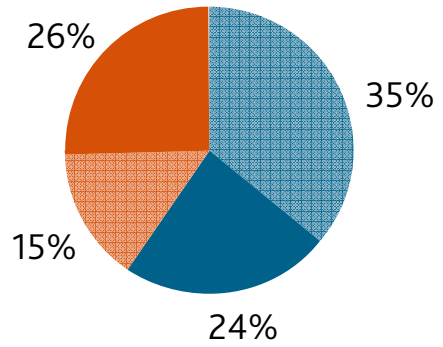
Population



Poultry+pig production



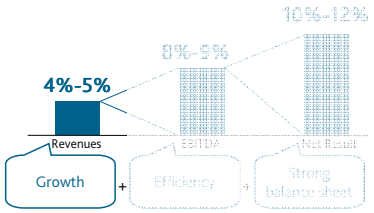
Artificial casing consumption



Focus in new markets and penetration of artificial casings in the market.

Differentiation: service + productivity vs. gut casing

Complexity due to geographic dispersion and costs.

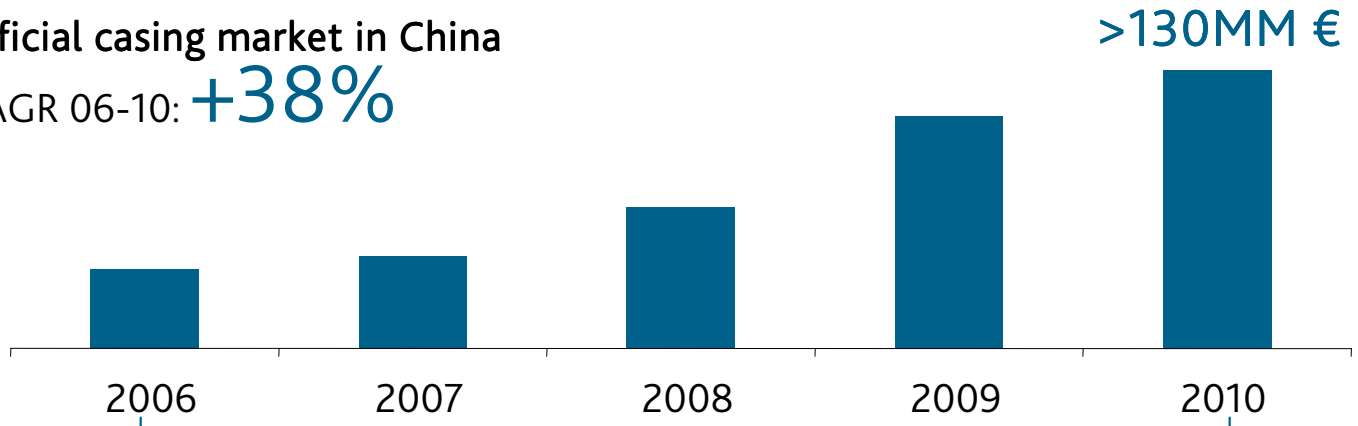


Viscofan: Best position to capture worldwide growth.

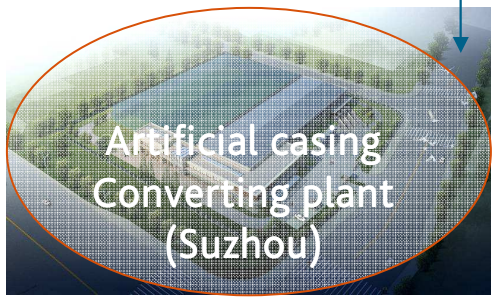
China, a very special case

Artificial casing market in China

CAGR 06-10: +38%



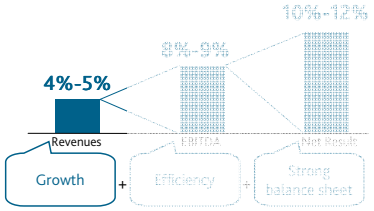
Commercial office Viscofan (Beijing)



Start –up production for local customers: Feb'11

Stronger commitment and proximity with customers in a market with a huge potential growth.

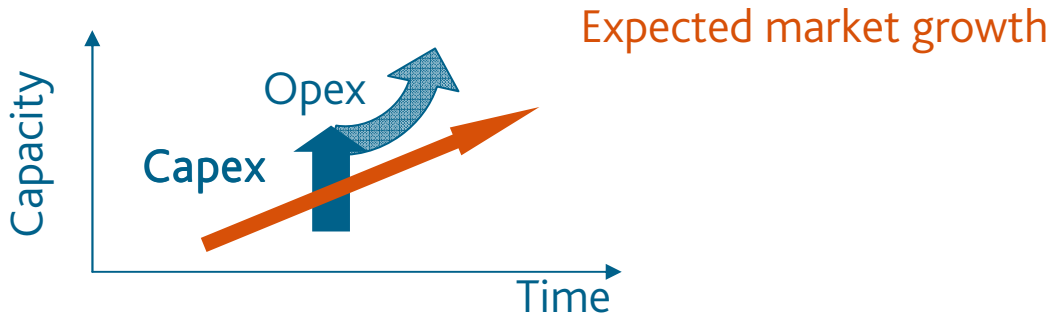
Capex: 8MM € Revenue 2011E: 10MM €



Viscofan: Best position to capture worldwide growth.

Production capacity

New investments on additional production capacity along 2011:



⬆ Capex

Converting in China

Extrusion collagen in Spain

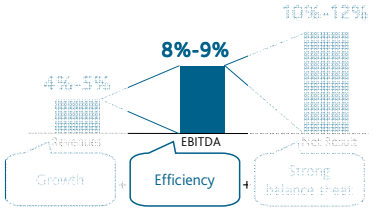
Extrusion collagen in Germany

Extrusion fibrous USA

⬇ Opex

Improve efficiency and speed of production.

(Permanently improving model and excellence centres)



Growth and operating leverage: new record in margin…

A model that can reach again productivity improvements.

Consolidation and expansion of non-edible collagen in Serbia

Stat of operations in China

New record on production speed on skinless and collagen

Efficiency improvements

Low cost centres

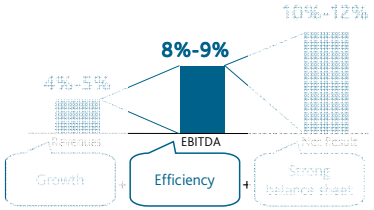
Excellence centres

Mature centres

Reengineering of process to take out tasks with low added value.

Competitive advantage: costs

Competitive advantage: technology

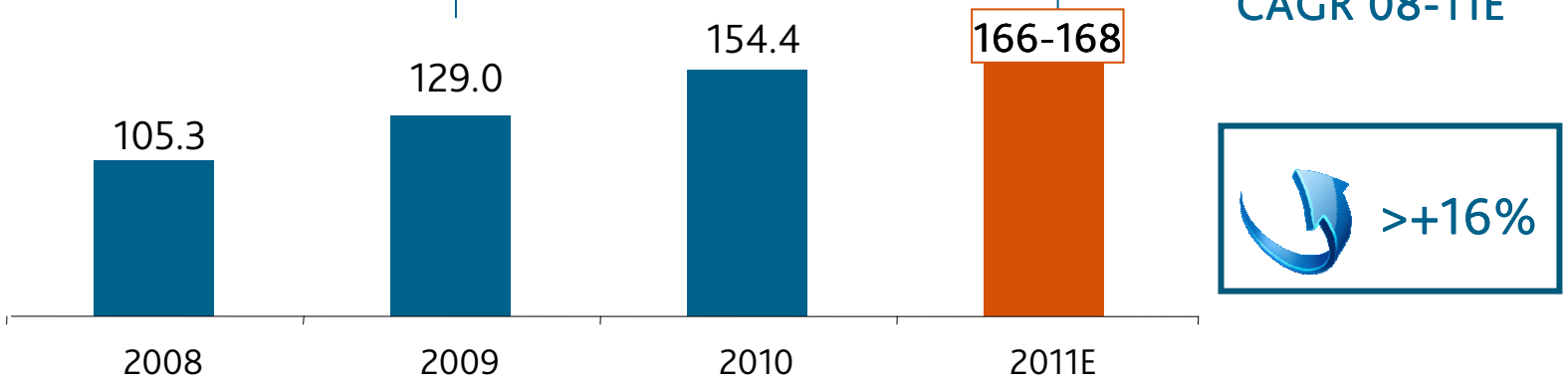


Growth and operating leverage: new record in margin…

EBITDA (MM €)

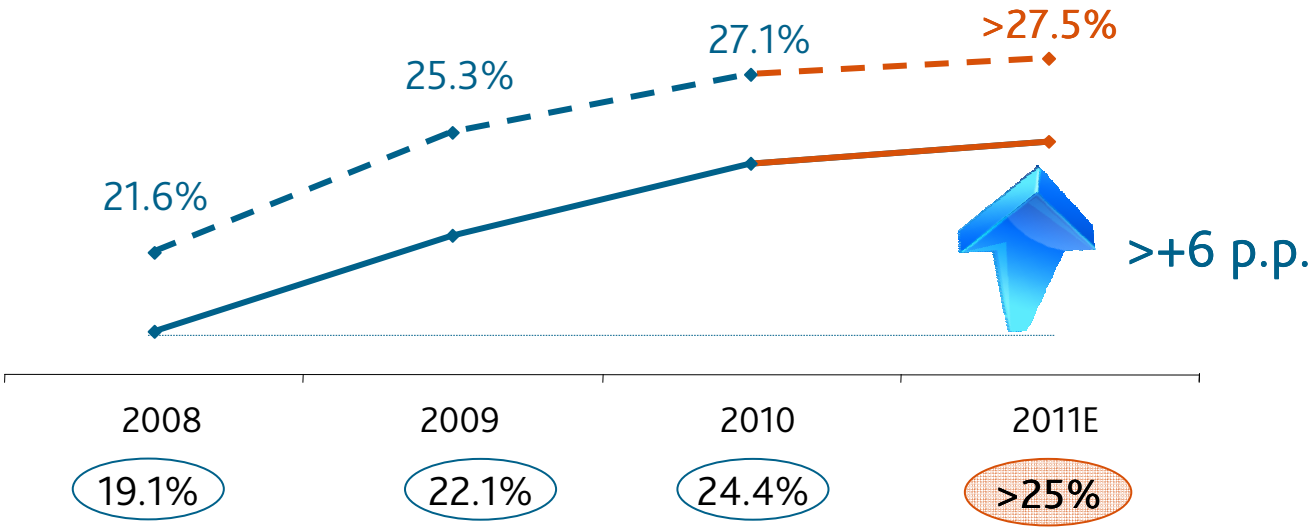
Be ONE 09-11

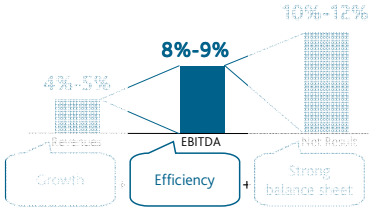
CAGR 08-11E



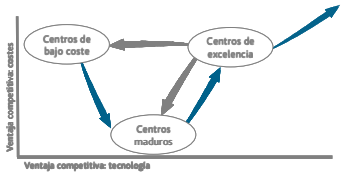
EBITDA Margin Casing

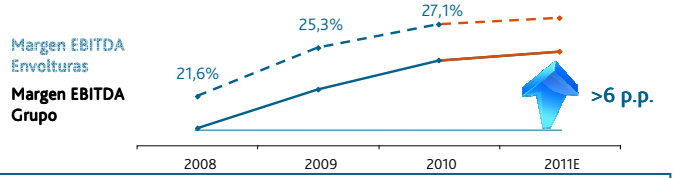
EBITDA Margin Group



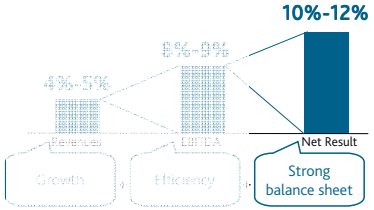


… even in an adverse environment

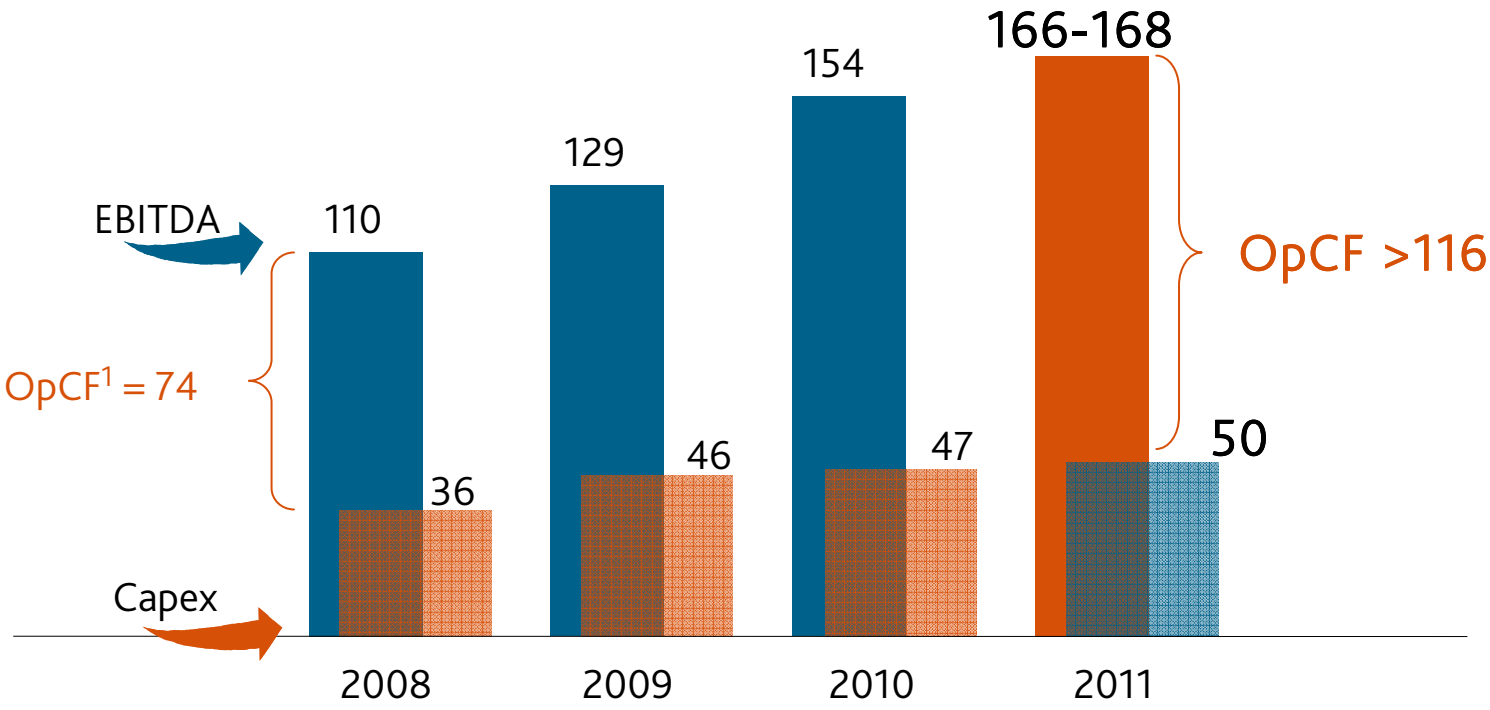




	Trend	Projects for Improvement
-Raw material	↑	-Production efficiencies -Taking out tasks with poor added value -Waste reduction.
-Energy	↑	- Energy optimization -€2MM investments in North America to implement new technology -Co-generation: Spain and Mexico

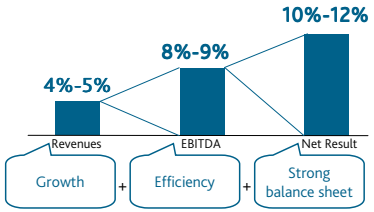


A solid balance sheet: cash flow, operational and investment flexibility and higher EPS



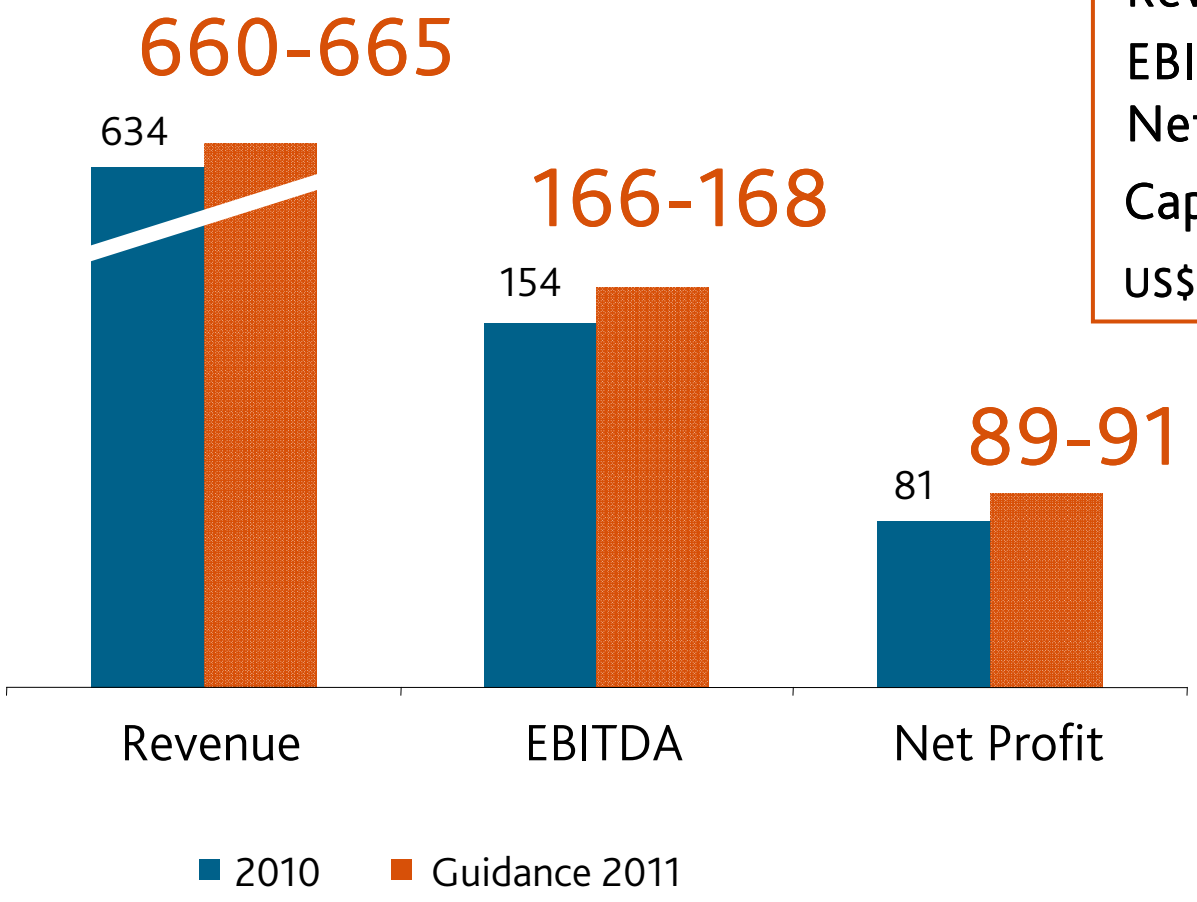
% change EPS	+2.8%	+25.3%	+26.6%	+10% to +12%

[1]OpCF = EBITDA - Capex



Guidance 2011 (MM€)

	% y-o-y.
Revenue	4%-5%
EBITDA	8%-9%
Net profit	10%-12%
Capex	<€50MM
US$/€	1.40



To Sump up

- Meeting our targets in main financial magnitudes, thanks to volume recovery in all casing families.
- A market that shows new growth opportunities both emerging areas, especially in Asia and Latam, and in developed markets but with higher added value.
- Viscofan Group is in a unique position to keep growing on value encompassing growth and profitability targets.
- A company in an excellent financial situation to keep growing in profits, investments and shareholder's remuneration.